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DEPARTMENT FOR NEA AND EUR/SE

E.O. 12958: DECL: 01/14/2015 TAGS: <u>PREL ECON TU SY JO LE</u>

SUBJECT: TURKEY ASSEMBLING A MIDDLE EASTERN FREE-TRADE ZONE

Classified By: POL Counselor Daniel O'Grady, for reasons 1.4(b,d)

- 11. (C) During a January 14 readout on Lebanese Prime Minister Saad Hariri's visit to Ankara earlier this week, MFA Syria and Lebanon desk officer Burak Rende said a planned trade-liberalization agreement and recently signed visa-waiver agreement with Beirut will advance Foreign Minister Davutoglu's ambition to assemble a core constellation of Middle Eastern countries into a defacto free-trade zone centered on Turkey. According to Rende, Jordan, Lebanon and Syria are the early candidates for this core constellation of countries. He did not rule out the eventual extension of an established free-trade zone to include Saudi Arabia and Iraq.
- 12. (SBU) Arriving in Turkey the evening of January 10, Hariri led a delegation of eight ministers, who signed six agreements, including the visa-waiver agreement, with Turkish counterparts. Mostly formatted as MoUs, the agreements provide legal foundation for bilateral cooperation in the areas of health care, electrical grid interconnection, agriculture and the mutual acceptance of mariners' licenses. The two countries also signed Turkey's "standard military agreement," which, Rende said, will enable training and counterparts' exchanges.
- 13. (C) COMMENT: President Gul and Prime Minister Erdogan's warm reception of the Lebanese delegation demonstrates the GoT's support for the Hariri government and its efforts to consolidate stability in Lebanon. The visa-waiver agreement and planned trade-liberalization agreement may serve as building blocks towards realization of Davutoglu's striking ambition for a new Turkey-centric architecture in the Middle East.

 Jeffrey

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